



**State of Connecticut**  
HOUSE REPUBLICAN OFFICE  
STATE CAPITOL  
HARTFORD, CONN. 06106

Testimony of  
State Representative Kevin DelGobbo  
In Support of Senate Bill 400,  
An Act Eliminating The Business Entity Tax  
  
Before the Commerce Committee

Chairman LeBeau, Chairman Berger, Senator DeBicella, Representative Stripp, and distinguished members of the Commerce Committee, thank you for the opportunity to come before you today to testify on behalf of the House Republican Caucus in support of SB 400, An Act Eliminating The Business Entity Tax.

Since it was first enacted, the House Republican Caucus has supported the elimination of the business entity tax. This year, we are pleased that Democrat Leadership and the Secretary of the State are also in favor of getting rid of the tax.

In 2002 when the economy took a turn for the worst, the legislature adopted this tax as a temporary fix to fill about \$30 million of a billion dollar plus deficit. Here we are six years later, and our small businesses are still forced to write a \$250 check merely for existing. There is no good policy behind this tax.

Some say, "It's only 250 bucks; it's not going to bankrupt anyone." But, it's not just \$250. It's the rising cost of energy, gasoline, healthcare, property taxes, and other taxes. Then you tack on another \$250 for small businesses struggling to make ends meet, and it hits them like a slap in the face.

Maybe the business entity tax doesn't cause a lot of businesses to go under; maybe it hasn't caused a single business to go under. But, is that what it's come to here in Connecticut? Does the standard for making tax policy boil down to the question of whether or not a tax is going to put a mom-and-pops operation out of business? If it does, then that answers a lot questions about why we are losing more young people than any other state; and why we have the worst 15-year business growth record of any state; and why we rank 39<sup>th</sup> in terms of our economic outlook; and why we are the fifth most costly state for doing business; and the list goes on.

The business entity tax is a nuisance tax, and it reflects an attitude that we as a state have toward existing and prospective businesses. For the sake of those businesses, people's jobs, and our economy, I hope the new-found support of leadership for eliminating this tax is sign that we are beginning to change that attitude.

Thank you for the opportunity to testify. I hope members will work quickly to favorably report this important bill out of this committee.

I would be happy to answer any questions that you have.